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Winter 2016

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Recommended Citation

David, L. (2016). Boom Town: Prioritizing Preservation under Pressure. Metroscope, p. 6-12

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Boom Town:

Prioritizing Preservation under Pressure

Above: The Ancient Order of United Workmen Temple.
Photograph by Drew Nasto

by Linn Davis

At the corner of SW 2nd and Taylor in downtown Portland stands a 124-year-old artifact. It's imposing, a six-story-tall stone-and-brick cube done up with columns and arches and with a name to suit: the Ancient Order of United Workmen Temple. A long-vacant outpost of one of the largest fraternal orders in the country at the turn of the 20th century, the building looks like

the child of a brick factory and a Roman ruin, which is somewhat appropriate: it's one of only a handful of Richardsonian Romanesque structures remaining in the region. But it's no ruin; externally, it's in solid condition. And with a design by Portland architect Justus F. Krumbein—who co-designed the second Oregon State Capitol Building, which burned down in 1935—it's hard to see why it wouldn't be

saved. Yet it was slated for demolition in November.

Diagonally across the same block sits another icon. Known by the name of a long-gone tenant, the Hotel Albion, the building at the northeast corner of SW 3rd and Salmon has, since 1924, housed the venerable Lotus Cardroom and Café, one of the last remaining institutions of Portland's extensive prohibition-era underworld. It got in trouble for bootlegging in the '20s and for hosting illegal gambling in the '70s, and the upstairs might or might not have housed a brothel accessible via secret staircase. Its magnificent 30-foot cherry-wood bar came around Cape Horn in the late-1800s, according to a blurb on the menu, and is featured in one of Gus Van Sant's earliest (and most highly acclaimed) films, 1991's *My Own Private Idaho*.

And yet, as part of the same proposed development, the Hotel Albion was destined for the wrecking ball as well.

The buildings are the latest and possibly greatest symbols of what the region—especially the highly desirable central city—has seen for a while: a boom in real estate and unprecedented pressure on housing prices, historic densities, and vintage architecture.

In the case of the temple and the hotel, the story isn't over. In November, preservation advocacy group Restore Oregon petitioned the City of Portland and the state Land Use Board of Appeals to close a zoning loophole and force a longer demolition delay for both buildings. And it appears developers have agreed to voluntarily drag their feet anyhow. On December 20th, a Facebook page advocating for the buildings' preservation posted a message saying: "the developers have agreed to not demolish the buildings until further study is completed."

But many other properties haven't received such privileged treatment.



Everyone knows Portland's real estate market is sizzling hot. The city's rental housing vacancy rate continues to hover around 3 percent, among the lowest in the country. And last year, a report in *Governing* magazine named Portland the most widely gentrifying city in America. Since 2000, the magazine said, over 58 percent of lower-income Census tracts in the city experienced increases in home values and influxes of highly educated residents that qualified them as "gentrified" according to the magazine's metrics.

And our architectural history is far from the only thing feeling the heat.

Affordable housing is the city's hottest issue (and rightly so). Since 1990, the historically African American neighborhoods of inner-North/Northeast Portland have seen around 50 percent drops in black residents, who have scattered to cheaper areas in East Portland and elsewhere. And last year, the Community Alliance of Tenants started a campaign—later picked up by the mayor—to declare a renter state of emergency.

Changes in the character of historically residential close-in neighborhoods have inflamed tensions as well, with several groups declaring a "demolition epidemic" in the city.

Indeed, there's plenty of hand-wringing to go around. When the City of Portland's Bureau of Planning and Sustainability (BPS) hosted a film festival last April themed "Portland is Growing," seven of the 11 publicly submitted videos shown at the event were laments for some kind of urban loss: trees lost, buildings lost, buildings in danger of being lost, whole

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And while many have positively gained from recent growth, there is a sizable—and vocal—contingent who are down-right despondent. They see a working-class port city attracting outside cash like never before. They see close-knit communities being split by rapid gentrification and old houses and big trees falling to real estate pressure—and, as they see it, incompatibly large, modern, or densely packed homes being built in their place.

But those concerned about housing affordability and changes in neighborhood character have strong and increasingly powerful advocates.

In 2014, the Portland African American Leadership Forum led a successful effort to kill a Trader Joe's development in inner Northeast and redirect \$20 million of urban development money to affordable housing. And last year, an umbrella group called Anti-Displacement PDX was highly successful in prodding the City to insert anti-displacement language throughout its new Comprehensive Plan Update.

Many official neighborhood associations—as well as independent groups like Stop Demolishing Portland, United Neighborhoods for Reform, and Fix Portland Zoning—have placed continual pressure on the City to slow neighborhood change. A demolition tax proposed by the mayor this fall was an attempt to appease them, and the City's new Residential Infill Project tries to "address the scale and design of new houses and home additions," which are among these groups' key concerns. Meanwhile, a website called "The Portland Chronicle" (portlandchronicle.com) publishes prolific updates on demolition applications, with before-and-after photos.

And yes, there's plenty of crossover between the fights for neighborhood character and for preservation on the issue of demolitions. According to BPS, between 1996 and 2011, 1,836 properties were demolished in the city, of which over 59 percent were built before 1940. What's more, whereas demolitions in the 1990s and early-2000s were concentrated in outlying areas with generally newer buildings—primarily in East Portland—demos since 2011 have been concentrated in older neighborhoods in inner-Southeast, Sellwood, and inner-North/Northeast. With demolitions rising rapidly since 2011 (in the last two years surpassing pre-recession levels) it stands to reason that this increasing pressure on historic neighborhoods is disproportionately affecting historic structures.

But demolition alone is not strictly an historic preservation cause—indeed the massing, height, style, and density of buildings seems a more impassioned local concern—and preservation as a specific special interest has fewer advocates than one might expect. (Restore Oregon and the Architectural Heritage Center are the most active.) It also suffers from, as one advocate put it, its reputation as "a fringe thing," as "a niche or hobby for the elite," or as "snobbish." Which is a shame, because architecture is among the most ubiquitous and populist forms of cultural heritage and art. We live and work amidst it every day, and we need not pay entrance fees to a museum to enjoy it.

Beyond its inherent value, there are environmental reasons to stick up for preservation as well, most notably the fact that construction and demolition account for around 30 percent of all waste nationally, according to the Environmental Protection Agency. And there are housing affordability rationales as well: For example, a 2001 US Department of Housing and

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Urban Development report suggested that even older buildings with “severe physical problems” (such as leaky roofs or no heating) could be rehabilitated for far less than the cost of new affordable units. The report estimated rehab costs for severely damaged apartments at about \$75,000/unit (about \$100,000/unit in 2015 dollars), while most new affordable housing costs well over \$200,000/unit.

Yet isn’t it the intrinsic value of history and culture—like the intrinsic value of nature—that ought to propel preservation most of all?



Perhaps to understand why we don’t value preservation more—in fact, why our city and state policies seem to value it less than others in the United States—we ought to start at the beginning. At least the beginning of historic preservation politics in Portland.

Like most US cities, we started to care about built history in the mid- to late-sixties, after New York’s majestic Penn Station was famously razed and as cities everywhere were flattening huge swaths of themselves in the name of slum clearance, urban renewal, and automobile efficiency. We weren’t particularly special in many ways; Portland, like most large-ish cities, instituted a local historic landmark status and a 120-day delay preceding demolitions.

But at a state level, Oregon was indeed special. As part of the state’s sweeping land use laws in the early ’70s, we got a statewide historic preservation directive (Planning Goal 5), which put us on the leading edge of state-mandated preservation. In 1975, then-State Representative Earl Blumenauer sponsored a bill that became the country’s first statewide incen-

tive program for historic preservation, a property tax break that encouraged owners of historic buildings to put them on the National Register of Historic Places. Using its local landmark designation and the National Register, Portland put together a suite of regulations aimed at preventing demolitions or major changes to historic properties.

Fast forward to 1995 and a property rights revolt in the Oregon legislature that brought forth a squeeze on cities’ preservation powers. Prior to ’95, owners could place themselves on landmark lists, but cities could also proactively find properties and (based on objective criteria for historic significance) landmark these properties themselves, even against the will of the owners. After 1995, that was no longer the case; unless a property was already on the National Register, owners had the power to refuse or remove a landmark designation and then more or less demolish at will. It was a major coup for those opposed to the state’s planning regime, and, according to Brandon Spencer-Hartle of Restore Oregon, it makes Oregon the only state in the country where owner consent is required for all landmark listings.

After 1995, Portland stopped even tracking down historic properties. In fact, the last time the City updated its Historic Resource Inventory (the preliminary list from which properties could be recommended for local landmark status) was in 1985. It is unclear to what degree this indifference was due to the seeming futility of creating a resource list that couldn’t be translated into any kind of mandated preservation, but it would be easy to see why the City might throw up its hands and use that money for other things. (Spencer-Hartle, for his part, argues such an effort should still be done, as more in-

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formation about what historic resources exist can only aid conservation efforts.)

So what's the situation today? Thanks to Blumenauer's 1975 incentive program, there are a relatively large number of properties on the National Register, which can't be removed and which the city fervently protects. Very few Register properties apply for demolition, and even fewer are approved—the only ones in recent years being the Washington Park reservoirs approved for demolition last May on landslide instability and public safety grounds. And some cities and counties in the region do offer local preservation incentives. In Clark County, there's a tax incentive; in Lake Oswego, there's a restoration grant; and in Portland, there are floor-area ratio (FAR) transfers (discussed later).

But other unique challenges exist as well—in Portland, for example, there is the hyperlocal issue of underlying lot lines. This is the peculiar situation wherein an additional set of boundaries between parcels, platted long-ago and seemingly usurped by modern lot lines, can be resurrected and used as additional dividers of property. Thanks to a loophole in City code, owners of land sitting on these old borders can use them to subdivide that land into separate lots (with separate single-family houses on each)—lots which can be far smaller in size than what the zoning code would normally allow. Therefore, houses sitting astride these historic lines are more likely to be goners than their peers, and the resulting subdivided parcels are likely to be far narrower than their neighbors.

At a regional level, Metro has for some time taken a long-term approach to historic and neighborhood-character preservation. The theory, initiated in the 1970s, is this: consciously concentrating development in high-density centers and cor-

ridors—or in major redevelopment hot spots like the Pearl District, South Waterfront, or Lloyd District—will relieve development pressure on lower-density areas. Centers and corridors (or, in previous decades, “nodes and noodles”) have been Metro's (and Portland's) driving land use vision since its creation. But has the Pearl really relieved pressure on the inner-East Side housing market? Would rents be even more ridiculous and teardowns even more common without it? Or, conversely, has it perhaps even driven up housing demand in the central city that has fanned out to close-in neighborhoods? Experts agree: that conjecture is anyone's guess.

And on the subject of preservation specifically, other big questions remain—perhaps most notably: What exactly should be valued as historic? In the late 20th century, movements in history and art sought to recognize non-elite contributions—the lives of peasants along with the lives of kings, say, or folk art along with Monet—and there are some calls for architectural preservation to do the same. Yet, so far, we largely haven't; we preserve cathedrals and mansions but pay far less attention to lowly farmhouses, for example, and—as several recent cases in inner-North/Northeast Portland make clear—African American churches.

But since every old building cannot reasonably be preserved, what then? First, perhaps, comes education. Architectural historian Tom Hubka, in a 2014-15 series for *The Oregonian*, makes the case that categorization is important. If we can't talk about that “lowly” farmhouse like we'd talk about an ornate Queen Anne or even a blocky Brutalist, then we won't appreciate it as well, and there'll be less chance we'll consider preserving it. But Hubka doesn't argue that every house should be protected, though it presumably follows that greater knowledge could lead to more

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piecemeal neighborhood- and homeowner-led preservation efforts to preserve at least scattered selections of everyday history in neighborhoods around the city.



The spate of demolitions (many of which are historic), and other recent threats to old structures, have shone a brighter light on the objective weakness of the City's regulatory preservation regime in the face of acute development pressures. But what more could we reasonably consider?

Let's start with that 1995 law. Preservation advocates dream of repealing it in order, they say, to bring policies in Oregon back closer to those in the other 49 states, and to revive mandatory local landmark designations based on objective historic criteria, not just owner altruism.

Meanwhile, a state historic redevelopment tax credit would be a "game changer," according to Jessica Engeman, historic property developer and Vice Chair of Portland's Historic Landmarks Commission. Federal historic preservation tax credits exist but are so complex that they're often unusable for small projects or for developers unfamiliar with how to make them profitable. And they don't pay out till a project is completed. In other states, state-level credits provide simpler and shorter-term pay-outs to fill those gaps.

At the city level, fees charged when owners of historic dwellings wish to make minor improvements could be reduced to make the National Register designation more palatable to sympathetic property owners—since the Register is the only historic designation in Oregon that counts (i.e., that property owners can't unilaterally revoke). Having to pay

the city a fee to review every door replacement or roof repair is a great way to disincentivize owners from putting their buildings on the Register in the first place. Portland has reduced its fees recently, but other cities are farther ahead. Lake Oswego, as mentioned previously, even offers grants to historic homeowners for some improvements.

Speaking of government grants, Restore Oregon's Spencer-Hartle notes that seismic retrofits—which many historic Portland buildings desperately need—will require substantial subsidies. If subsidies aren't attached to new requirements, he says, the city could see many more demolitions of old, unstable buildings that are prohibitively expensive to rehabilitate.

If those are the carrots Portland could consider, the City has floated sticks as well. Last fall, Mayor Charlie Hales proposed a tax on any new demolitions: \$25,000 to be levied on any demo in the city, excepting those that would make way for affordable housing. Though it was never likely to make a serious dent in demolitions (even the mayor's office admitted as much) some still saw it as a useful small step. But after running into opposition from at least three of his fellow city commissioners and both developers and community groups alike, the mayor officially withdrew the proposal in early January. The complaints ran the gamut: it was unfair; it was regressive; it could increase the cost of homes built after demolitions; it should have exemptions for increases in density (or it shouldn't). Back in December, when the tax's passage first looked doubtful, Hales suggested that a temporary moratorium on demos might be justified until politically viable long-term solutions could be found, but as of press time, no movement on that proposal has been made.



The Hotel Albion. Photograph courtesy of Restore Oregon

Meanwhile, a less controversial move might be to improve preservation-related staffing levels at the City's Bureau of Planning and Sustainability (BPS). Many cities have a separate historic preservation office that shepherds willing developers through the process and toward useful incentive programs. While Portland has a team of urban design planners in the Bureau of Development Services to review proposed development projects, BPS currently lacks even one full-time dedicated historic preservation staff person to plan for the city's stock of historic resources.

And then there are the aforementioned FAR transfers, possibly the most mutually beneficial strategy for both growth and preservation together. FAR, which stands for floor-area ratio, is essentially a measurement of the size of a building in comparison to the lot on which it sits. An FAR of 1:1, for instance, could be a one story building taking up the entire lot, or a two story building taking up half the lot. Developers of historic properties who don't utilize their full allowable FAR can sell the remaining development rights (in other words, the air above or next to the historic structure that a new, bigger building would be allowed to take up) to another developer constructing a new building elsewhere who'd like to build a little bigger.

It can be a great way for a historic project to recoup some of the opportunity

costs of not developing to a site's full allowable potential, but only if the transaction between buyers and sellers is easy. Right now, Portland developers have to find buyers or sellers largely through word of mouth, but in some cities, municipal governments manage marketplaces where FAR is bought and sold. And in other places, says Portland State Assistant Professor of Urban Studies and Planning Matthew Gebhardt, the government buys FAR, banks it, and then sells it off to developers who want it.

These represent only a selection of possible policies that could better preserve historic places, and behind all these ideas is a broader question of political and social will.

"I honestly wonder how far we'll get with changing policy and creating new tools," says Engeman, "until we get a bigger cultural shift saying, 'these are our values; we care about this.'"



And perhaps that's the rub: policy changes only come as fast as we will them to. Just possibly, we may be finally finding the will to prioritize affordable housing and sensitive neighborhood development. But until we place the same value and concerted effort on our architectural heritage, it's hard to see how it will receive more than simply accidental protection. **M**

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